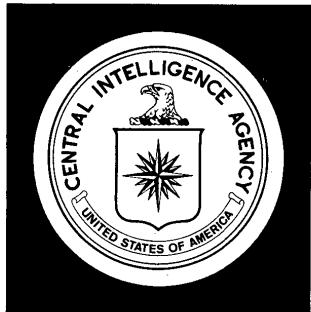


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The President's Daily Brief

June 30, 1975

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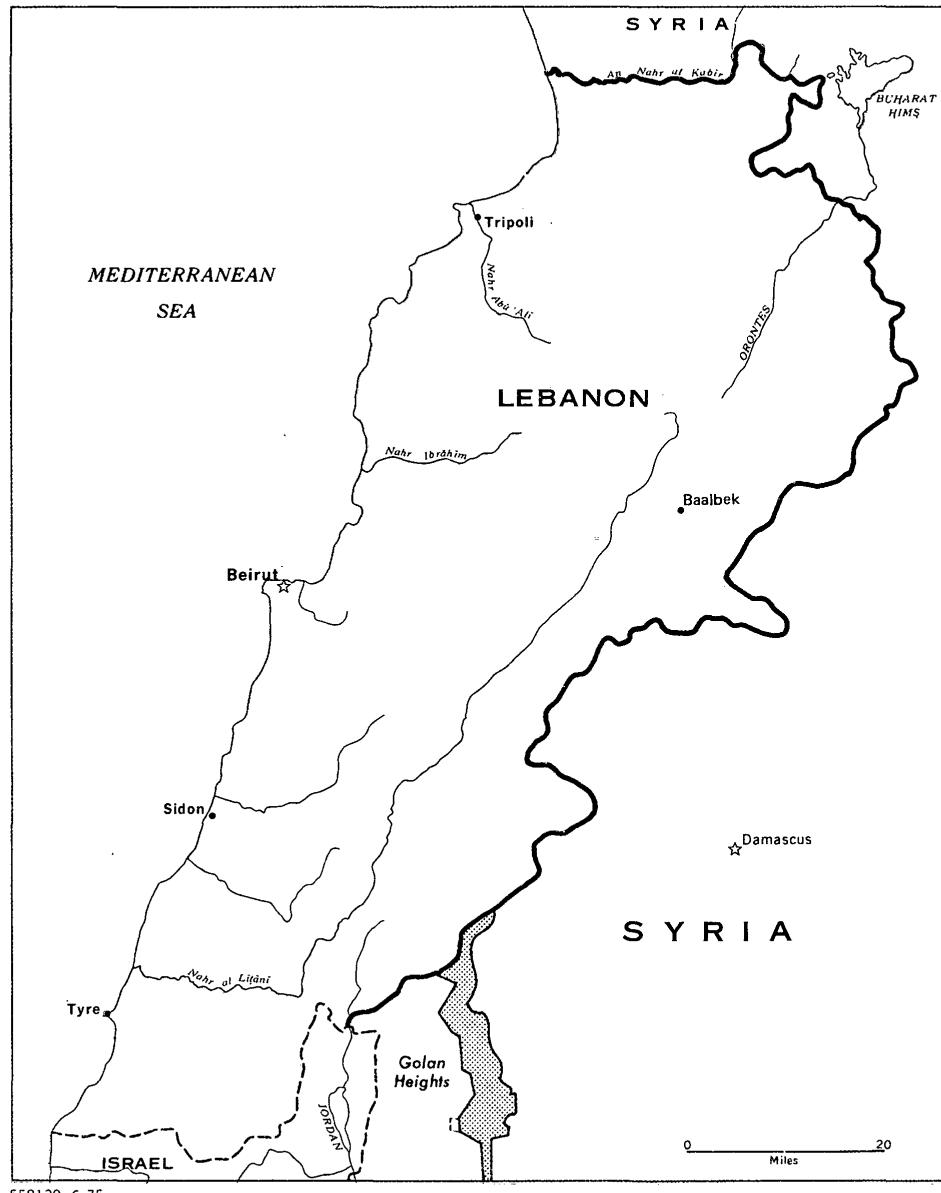
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LEBANON

Prime Minister-designate Rashid Karami announced yesterday that he has reached agreement with Lebanon's political leaders on a new cabinet and hopes he can announce its composition tonight. Karami issued his statement after an unplanned six-hour meeting with President Franjiyah.

Lebanese army units reportedly began guarding important installations in Beirut late yesterday. Until now, Karami has opposed any use of the army to end the current fighting. He may have decided that he had to acquiesce in some--perhaps only token--army involvement in return for political concessions by Franjiyah.

Karami and Franjiyah were pushed toward a compromise by the continued deterioration of the security situation in Beirut. Over the weekend, fighting spread from the suburbs toward the main tourist and commercial areas. All roads leading into the city were closed yesterday morning, and the police appealed to residents of all areas to remain indoors.

Violence has also spread outside Beirut. Armed leftist and Muslim groups have effectively shut down the southern port cities of Tyre and Sidon; there have been several bombings in the northern port of Tripoli; and government buildings have been occupied in the eastern town of Baalbek.

Lebanese security forces have had little success in checking violence or in their more limited effort to destroy the stronghold of radical leftists and fedayeen in Beirut. Government forces have been reluctant to leave the relative security of their armored vehicles to flush out snipers, preferring instead to dislodge them with heavy weapons.

This procedure has caused considerable property damage, increased civilian casualties, and disaffection within the ranks of the security services. These results are exactly what the radicals want, and probably played a part in prompting Franjiyah and Karami to paper over their differences.

(continued)

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Palestinian leaders were still meeting in strategy sessions with Lebanese officials yesterday morning, and Palestinian forces were continuing to participate with the Lebanese forces in joint security patrols of the embattled areas.

If the major fedayeen groups stay out of the fighting, despite the provocation they will see in any army involvement, and if Karami is able to announce the formation of a government today, the security situation should improve dramatically. Fighting diminished sharply even when the unpopular military cabinet was announced late last month.

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INDIA

Major opposition parties say they will proceed with their civil disobedience campaign this week. Participation is likely to be poor, however, because of the fear of arrest and the knowledge that, as long as the state of emergency remains in effect, those arrested cannot appeal to the courts for release. Well over 1,000 persons have been arrested since Thursday, and opposition leaders who are still at large have probably gone underground.

There were some minor outbreaks of violence but no serious disturbances over the weekend. As press censorship becomes more efficient, it will be difficult to ascertain the situation in the countryside, though rural areas are traditionally less volatile than the cities.

Members of the cabinet are now taking more visible roles in administering the emergency regulations. A special committee consisting of the ministers of agriculture, defense, interior, and law has been formed to review the situation on a daily basis. A government spokesman yesterday denied press reports that the chief justice of the Supreme Court--an appointee of Prime Minister Gandhi--had resigned.

Ruling Congress Party members of parliament were sent to their districts during the weekend to explain the government's actions and to help organize support for Mrs. Gandhi. They will convene in New Delhi on Tuesday to report on their findings.

The educated classes probably are inclined not to believe Mrs. Gandhi's argument that Indian democracy was imperiled by extremists. Students, in particular, are likely to discount her conspiracy rationale and will probably try to organize resistance. The majority of the population, however, is probably ambivalent about Mrs. Gandhi's actions and will look for results from her promise on Friday to introduce economic measures soon to alleviate the hardships of the poor.

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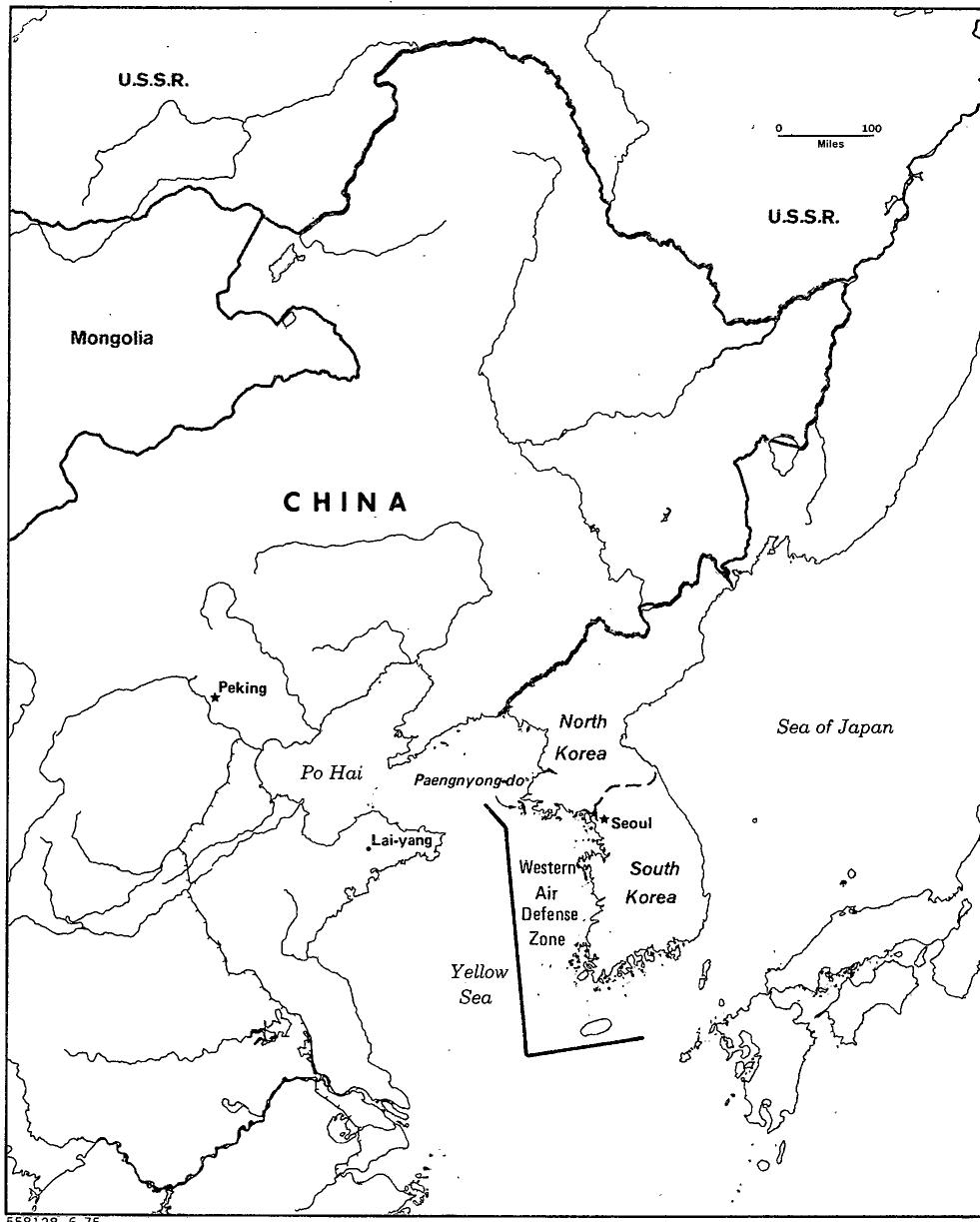
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In a follow-up to this promise, Mrs. Gandhi yesterday ordered price controls on essential commodities. This is to retard the seasonal round of price increases that normally begin at this time of year when the monsoons set in and food stocks begin to run low. The program is not likely to be very effective, since it depends solely on local leaders to assure that shopkeepers comply. No formal price administration machinery has been set up.

If the situation remains calm in July, Mrs. Gandhi reportedly plans to reconvene parliament in early August to ratify the emergency proclamation. The constitution requires parliamentary approval within two months of the proclamation.

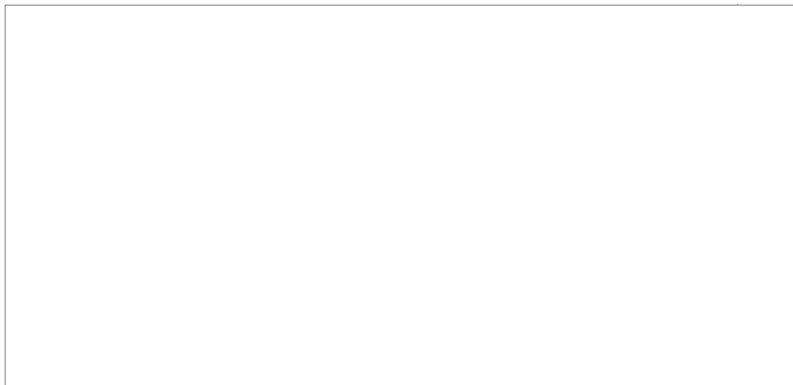
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NOTES

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A mixed group of Lao communist troops, police, students, and other civilian demonstrators are still occupying three American installations in Vientiane that they seized Saturday morning. No Americans are at any of these installations.

Prime Minister Souvanna Phouma told the US chargé that he has instructed the communist minister of economy, Soth Phetrasy, not to permit a large anti-US demonstration at the embassy today. Since Soth takes his orders from Lao communist authorities in almost all instances, there is no assurance against further harassment.

Pathet Lao leader Prince Souphanouvong returned to Vientiane on Saturday from a three-week strategy session of the Lao Communist Party Central Committee in Sam Neua.

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